



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

March 4, 2004

The Honorable James W. King  
Clerk of the Circuit Court  
County of Nottoway

Board of Supervisors  
County of Nottoway

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Nottoway for the period October 1, 2002 through December 31, 2003.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system, and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

## Deposit Collections Promptly

While the Clerk was on vacation, no one in the office deposited five consecutive days' collections totaling over \$15,600 in the bank for up to six business days in July 2003. Although court staff stored the funds in the office safe, the safe typically remains unlocked during the day and can be readily accessible to visitors passing through the office to the Records Room.

The Clerk does not delegate responsibility for depositing daily collections when he is absent from the office. However, in this circumstance, delaying the deposit of court funds unnecessarily increases the risk of their loss to misappropriation or theft. Additionally, during the Clerk's absence, the office did not transfer state collections totaling \$4,098 to the Treasury. Section 2.2-806 of the Code of Virginia requires Clerks to transfer state funds to the state treasury twice each week, unless the amount is under \$5,000, in which case the transfer may be made once a week.

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The Clerk should delegate the responsibility for promptly depositing court collections in the bank to appropriate staff so that collections do not remain in the office during any extended periods of the Clerk's planned or unplanned absences. Further, whenever staff store funds temporarily in the office safe, they should sufficiently secure the safe to deny ready access to visitors or other unauthorized persons. Failing to do so allows for internal control weaknesses and increases the risk of loss of funds due to theft or misappropriation.

Properly Monitor and Disburse Liabilities

The Clerk does not properly monitor and disburse court liabilities. As a result, the Clerk is holding bond money totaling \$7,500 up to one year after the Court ordered the funds forfeited to the Commonwealth. The Clerk should monitor and disburse liabilities on a continual basis and he should promptly disburse funds in accordance with court orders.

We discussed these comments with the Clerk on March 16, 2004 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: The Honorable Thomas V. Warren, Chief Judge  
Ronald Roark, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Paul Delosh, Technical Assistance  
Supreme Court of Virginia  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts